

Hon Bruce Donaldson; Hon Kim Chance; Hon Paul Llewellyn; Hon Ken Travers; Hon Brian Ellis; Hon Anthony Fels; Hon Nigel Hallett

Division 13: Agriculture and Food, \$157 695 000 —

Hon Giz Watson, Chairperson.

Hon Kim Chance, Minister for Agriculture and Food.

Mr I. Longson, Director General.

Mr D. Hartley, Executive Director.

Mr R. Lucas, Director, Finance.

The CHAIRPERSON: Good evening, on behalf of the Legislative Council Estimates and Financial Operations Committee, I would like to welcome you to this evening's hearing.

This hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at a witness's request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question.

Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values that assistance.

It will greatly assist Hansard if when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount and so on in preface to their questions.

If supplementary information is to be provided, I ask for your cooperation in ensuring that it is delivered to the committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to your advisers. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations.

For the benefit of members and Hansard, I ask the minister to introduce his advisers to the committee, and for each adviser to please state your full name, contact address and the capacity in which you appear before the committee.

I require the witnesses to take either the oath or affirmation, including the minister.

Hon KIM CHANCE: Me too? I have never done this before!

The CHAIRPERSON: I know; it is a strange thing.

Hon KEN TRAVERS: I think we should also ask the questioners to take it as well!

[Witnesses took the affirmation.]

The CHAIRPERSON: Thank you very much. At this time, I ask each of the witnesses whether they have read, understood and completed the "Information for Witnesses" form.

The Witnesses: Yes.

The CHAIRPERSON: Do all the witnesses fully understand the meaning and effect of the provisions of that document?

The Witnesses: Yes.

The CHAIRPERSON: I will start with Hon Bruce Donaldson.

Hon BRUCE DONALDSON: I was very disturbed when the budget speech was read to the house because there was no mention of agriculture. That is very disturbing and I am sure it must have been very demoralising to the Department of Agriculture and Food and all its officers, because the first dot point under "Supply Chain Development" on page 250 of the *Budget Statements* states in part —

Total food and beverage exports for 2006-07 was \$4.7 billion, comprising \$1 billion of processed food exports . . .

The next dot point on that page states —

Western Australia's food industry is comprised of over 700 processing companies employing a labour force of approximately 16,500.

The first dot point under "Regional Development" on page 251 states —

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Agricultural production represents the largest renewable resource-based industry in Western Australia. The sector creates employment for more than 11 per cent of the State's workforce and is the largest employer in the rural regions.

I do not know, but maybe the Minister for Agriculture and Food can explain whether somebody in agriculture forgot to push the button? I was pretty concerned and I am sure that anybody within the agriculture industry would be a little perturbed about that. We know we have had some very difficult years over the past few years in agriculture, but it is still a very significant part of Western Australia. I hope that we will not see that again in a budget in this house.

The CHAIRPERSON: Does the member have a specific question?

Hon BRUCE DONALDSON: I will ask a specific question: how did agriculture not get a mention in the budget speech?

Hon KIM CHANCE: I absolutely agree with the comments that Hon Bruce Donaldson has made about the importance of agriculture. Indeed, the last point that he made is particularly telling because we are the biggest employer in regional Western Australia by far; nobody comes remotely close. I am sure the other point Hon Bruce Donaldson would like to have made amongst the things he could have listed is that agriculture is also almost a 100 per cent Western Australian-owned industry, unlike the other major industry in Western Australia—the non-sustainable resource industry, which is largely foreign owned.

Hon BRUCE DONALDSON: I had that written down; I was going to mention that pretty soon.

Hon PAUL LLEWELLYN: Is the minister saying that agriculture is sustainable?

Hon KIM CHANCE: I assure the member that agriculture is entirely sustainable.

Let me address the question. If the budget speech is about making people feel warm and loved—I concede there is a case for that—agriculture and a range of other industries should have been specifically mentioned. The fact is that the state budget is about what the state does; namely, provide services and infrastructure; in that regard, agriculture is not a big player. The state provides health, education and police services, and it builds the things that need to be built for our state, and that is what the Treasurer concentrates on, as well, of course, as the key revenue sources, including the taxation sources. I am glad I do not hear agriculture mentioned too often in that regard. As for where agriculture sits in the budget as a whole, I argue very strongly that agriculture is the only industry in the state budget that actually gets an allocation and appropriation. I challenge anybody to name another industry, particularly another mature industry, that actually receives an appropriation from the Western Australian taxpayer. Even my other industry, forestry, does not receive an appropriation from the state. It has access to the state's resources but it does not receive an appropriation. Agriculture is still the only industry that receives an appropriation for services other than the regulatory services, and, of course, the Department of Industry and Resources provides regulatory services to the mining industry. However, there is no other industry in Western Australia that receives an appropriation. While I am still getting that appropriation from the Western Australian taxpayer, I will not complain too loudly about agriculture not being mentioned in the budget speech.

Hon BRUCE DONALDSON: That is comforting for those in the agriculture sector. I come back to the appropriation.

Hon KEN TRAVERS: Do not do that!

Hon BRUCE DONALDSON: I do not know whether you, Madam Chair, are running the show or whether Hon Ken Travers is running the show!

The minister would be well aware that the agriculture budget is tricky. Usually, the funding for many programs becomes known only after the budget is brought down. There is always a catch-up and each year we get caught. The budget estimate for the 2008-09 financial year is nearly \$158 million. The actual figure for 2007-08 was nearly \$177 million. In 2008-09 there was an increase in the capital contributions of \$3.5 million. Very little was allocated in the preceding year. Has there been a decrease in the funding? Can the minister advise the decrease figure as a percentage?

Hon KIM CHANCE: Yes; it is 11.2 per cent.

Hon BRUCE DONALDSON: Is there any justification for that?

Hon KIM CHANCE: Yes, indeed. I will circulate a document to enable honourable members to follow this through. The document is entitled "Caring for our Country Program and Regional NRM Groups". I point to that as the principal difference between the current year's budget and the budget that we are considering for 2008-09. The fundamental difference is that as of the end of next month, the national action plan for salinity and water

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quality comes to an end. It was a five-year program. Members can see the expenditure lines from and including the year 2003-04 in the white component of the document, which is split into three columns. The first refers to the state consolidated account. The second column refers to the external funds, which is, by and large, the federal component, although there are small private components. The third column indicates the total. Members will notice the extraordinary lumpiness of the funding, but in particular they will notice that the spending was all back-loaded. The reason for that is that in the first two and half years, we were still getting the structures on the ground and we could not spend the money until later. The green column refers to the current financial year of 2007-08. Members will notice the total spending jumped from \$98 million, the previous highest, to \$170 million. That represents the unspent money, effectively. A huge lump was carried over—it was effectively designed to be carried over—into 2008-09. Indeed, that number is \$73 million. If members follow down into the second row of the yellow figures, which is headed “2008-09 Carryover” they will see the figure of \$73 million. That allocation enables the smooth transition between the national action plan for salinity and water quality, which we expected to morph into the National Heritage Trust 3 and which was the proposition that we had committed to with the Howard government. That changed to the Caring for our Country program after the election of the Rudd government, but its fundamentals are the same. We are still waiting for all the elements of the Caring for our Country program to be announced, although I understand it will be quite soon. That is essentially the answer. Yes, there has been an 11.2 per cent reduction in the total appropriation for the Department of Agriculture and Food. The reason for that is fundamentally the carryover funding in the budget year, which came out of an extraordinarily high level of funding in this financial year. If we net out all of the natural resource management funding, there is an increase in the department’s budget of 6.4 per cent.

Hon BRUCE DONALDSON: I refer to the third dot point under “Significant Issues and Trends” on page 249 of the *Budget Statements*, which states that understanding medium and long-term climate change outlooks will be critical. Can the minister outline what is planned—in case it does not rain in June?

Hon KIM CHANCE: Absolutely. Climate change is a significant issue for Western Australia. There are two elements to climate change, if I can oversimplify it a little bit; namely, mitigation, which is about the way in which we will seek to undo the damage that has already been done, and adaptation, which is the process of trying to live with the changes that are unavoidable. We know that if we were to reverse the way we emit greenhouse gases, we would still suffer anthropogenic climate change for some years. We have to learn to live with that. The potential impacts in Western Australia are unfortunately quite high, although I do not think they will be quite as disastrous as they will be for the Murray-Darling Basin, because a different set of dynamics is involved. We have knowledge gaps. We are attempting to deal with the adaptive technology through a range of processes, including genetics and agronomy, to provide the science for farmers to deal with lower and less frequent rainfall and higher temperatures. I am oversimplifying it a bit; it is a huge subject. In terms of dealing with the mitigation, we have started some work, although the Office of Climate Change is the responsibility of the Minister for the Environment.

Hon PAUL LLEWELLYN: It did not get any money.

Hon KIM CHANCE: We do not know that yet.

Hon PAUL LLEWELLYN: We do; we found out just before.

Hon KIM CHANCE: The member does not know that because he has not seen the final outcome of what the commonwealth will do and what we might do in relation to the commonwealth. The commonwealth will allocate a significant amount of funding to address the impacts of climate change. We look forward to working through those issues with the commonwealth. However, from the Department of Agriculture and Food’s point of view, our core concentration is on research; the development of science to deal with particularly the adaptive components, but also the mitigative components of climate change; and putting the planning into place to deal with those issues.

Hon BRUCE DONALDSON: I refer to full-time equivalents. Page 257 of the *Budget Statements* indicates that the estimated figure for full-time equivalents in 2007-08 for service 1 was 737. The actual figure was 717, which is 20 fewer FTEs. Page 260 indicates that the estimated figure for FTEs in 2007-08 for service 2 was 350, with the actual figure being 343, which is seven fewer FTEs. Page 262 indicates that the 2007-08 estimated figure for service 3 was 563 FTEs. The 2007-08 budgeted figure was 538. The footnote on page 266 states that in 2008-09 there will be a total of 1 591 full-time equivalents, and in 2007-08 there were 1 650 full-time equivalents. That is about 59 fewer full-time equivalents. How many of those full-time equivalents were contract based? If the minister has to take that on notice, I will accept that.

[9.30 pm]

Hon KIM CHANCE: No, we will try to answer the question.

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Hon BRUCE DONALDSON: Are those figures correct?

Hon KIM CHANCE: Yes. If the answer is substantially different from what we will provide tonight, we will correct it. However, we will attempt to provide that figure. A number of them are contract based, because the member will be aware that, particularly in the biosecurity area, we use contract labour very extensively. As the member can imagine, through the starling campaign, for example, we have been responding to the immediate needs. However, 77 per cent of the whole workforce is on a permanent basis; 23 per cent is contractual.

Hon BRIAN ELLIS: I would like to go back to the mention of climate change. There is obviously a great focus on climate change in the significant issues and trends, and that is fair enough; I am not arguing with that. However, I regard salinity as just as important, if not more important. It may be that it is being forgotten because climate change is the issue of the moment. The minister can tell me if I am wrong, but the only mention of salinity is under the major initiatives for 2008-09, and it relates to the salinity resource condition monitoring project. That is about the only mention of salinity. Are there any new initiatives at all?

Hon KIM CHANCE: Salinity is actually interesting, because the member started his question by mentioning the issue of climate change. One of the responses to the drying climate in Western Australia from a salinity point of view has been a net improvement, because in the wheatbelt valleys we have seen a decline in the level of subsurface moisture, which is entirely dry season related, but there is declining salinity at this point, although not for the reason that we would want.

Hon PAUL LLEWELLYN: Is it declining, or is it just not expanding at the rate the minister thought it would?

Hon KIM CHANCE: No, the level is falling in most of the piesometers that we are monitoring.

Hon PAUL LLEWELLYN: Does the minister mean the groundwater is declining?

Hon KIM CHANCE: Yes, the saline groundwater. When it gets to a level anywhere north of a metre below the surface of the ground, it becomes marginal or useless for wheat growing. A metre is about the critical level. However, we are continuing our catchment water planning in the regional priority catchments, which includes the salinity issue. We are developing test methodologies to benchmark the role and the effectiveness of surface water management structures in the landscape, and we will be moving forward to complete the implementation of salinity management strategies in the four pilot towns—that is under the Rural Towns-Liquid Assets program—which include Merredin, Katanning and another two.

Hon BRIAN ELLIS: I have seen that and it is a worthwhile project.

Hon KIM CHANCE: Yes, it is an excellent project.

Hon BRIAN ELLIS: I apologise. There is another mention of salinity in the budget papers. I would like to know where this is at. It appears under the major achievements for 2007-08. Will the “Have a Yarn” series of salt land management case studies be ongoing this year?

Hon KIM CHANCE: Which page number, please?

Hon BRIAN ELLIS: I am sorry; it is page 261—the sixth dot point.

Hon KIM CHANCE: I will just have a quick look at it. I reintroduce Mr David Hartley, who is carefully listening to the member’s questions.

Mr D. Hartley: Work is continuing in salinity management, particularly in the area of water management. We see that as the crucial issue out there; that is, learning to model and predict what water falls and what recharges into the watertable and therefore rises and brings salinity to the surface. We are attempting to model that so that we can give farmers decision-making tools based on rainfall and run-off, and a prediction will enable them to take actions on the farm that will help them better manage the water. To us, it has always been rather ironic that with what is our most valuable resource out in the wheatbelt, which is water, there is almost a direct line relationship between crop yield and water availability, but, on the other hand, the management of water has caused our biggest environmental problem of a rising watertable and salinity. Our major focus in salinity management at the moment is through our eco-hydrology unit, which is a joint venture that we have recently established with the University of Western Australia and which now has state funding as a centre of excellence. We are doing that work to undertake the modelling.

Hon KIM CHANCE: Can I just say, for the completeness of the answer—it probably will not make it complete at all, but I need to mention these things—that we will be continuing our work with the Wheatbelt Drainage Council, which is actually a function of the Minister for Water Resources; it is not my function. However, we work closely with the Wheatbelt Drainage Council, and we see drainage as one important element in salinity control. We will obviously be continuing the work that we have done with the deep-rooted perennials, in terms

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of pastures, shrubs and trees. We have a budget allocation this year of \$41 million. That is for the salinity action plan. Therefore, the allocation for our general salinity work has gone up to \$41 million, with external funds of over \$39 million. It is a total investment of \$80.4 million. Similarly, the work that has begun with both the catchment demonstration initiatives, the CDIs, and the engineering evaluation programs, the EEPs, is obviously going to continue under the aegis of the natural resource management groups, the NRMs.

Hon BRIAN ELLIS: I will change the direction slightly. I refer to the capital works program on page 265. An amount of \$130 million for the relocation of the headquarters seems a massive figure. Does that include the building as well?

Hon KIM CHANCE: Yes, it does. Again, I think I will assist the committee if I table another document. This document is headed "New Headquarters & Biosecurity Relocation".

Hon BRIAN ELLIS: Following on from that, is it planned to sell the old headquarters?

Hon KIM CHANCE: Yes.

Hon BRIAN ELLIS: The minister might be able to tell me: is it in the budget —

Hon KIM CHANCE: I will let the director general do this, although his view of life might be different from mine. However, we will see how he goes.

Mr I. Longson: At this point in time, the result of negotiations with the state government through the Department of Housing and Works and state Treasury is that when we vacate the site and relocate the South Perth offices of the Department of Agriculture and Food, they will resort to highest value use by the government. At this stage they have been designated as part of the Technology Park precinct, but it is up to the government of the day what it will do with the 20-hectare site once we vacate it, which is estimated to be 2012.

Hon BRIAN ELLIS: That is good to hear. I was just trying to get some idea of what funds would come back.

Hon KIM CHANCE: Heap loads, for want of a better term.

Hon BRIAN ELLIS: The minister's past record is that he has done pretty well on selling —

Hon KIM CHANCE: It is a very valuable piece of land, yes.

Hon BRIAN ELLIS: There is \$125 million in the budget for that relocation, but only \$1.9 million is budgeted for 2008-09.

Hon KIM CHANCE: Yes.

Hon BRIAN ELLIS: What does the department get for the \$1.9 million?

[9.40 pm]

Hon KIM CHANCE: Planning. Can I draw the member's attention now to the paper that has just been distributed? The paper is colour-coded for ease of understanding. The paper outlines the details of two major capital works programs that we will be undertaking. One of those projects is new headquarters and biosecurity relocation. The other is Agricultural Research Western Australia. That project is shown on the other side of this sheet.

I will talk first about the new headquarters and biosecurity relocation project. The total amount of funding listed on that sheet for that project is \$159.730 million. The amount of funding approved so far—that is the blue column—is \$130.336 million. The new funding required—that is the amount still to be funded—is \$29.394 million. Therefore, to answer the member's question about what does that amount of money get us, it gets us only the planning at this stage. However, we then start to get into the serious spending in 2009-10, when an amount of \$18.868 million in funding is estimated.

Hon ANTHONY FELS: I cannot find this listed in this division, so it may not be there, but I have a question about the biosecurity fence.

Hon KIM CHANCE: Is that the fence that is proposed for the desert?

Hon ANTHONY FELS: Yes. That is a current issue. Is the government looking to match the commitment that was made by the former federal Liberal government to provide \$100 000 to investigate that proposal? It has been estimated that it will cost in the vicinity of \$35 million to \$40 million to build that biosecurity fence. Is that a realistic estimate, or could the fence be built for considerably less than that? What is the minister's position on that proposal?

Hon KIM CHANCE: For the record, because there is some confusion about the two fences that people have been talking about, I will define the way in which we use the terminology. The old rabbit-proof fence—which is

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still out there and is being maintained—is what we refer to as the state barrier fence. The state barrier fence effectively separates the pastoral zone and the agricultural zone. That is a very rough description, but that is about where it is. The other proposal is what is termed a biosecurity fence. That is what Hon Anthony Fels has just referred to. A proposition was put to us by some eastern goldfields pastoralists, and it was picked up by the Pastoralists and Graziers Association, that a biosecurity fence be built that would delineate between the pastoral zone and the desert. Hon Anthony Fels asked whether we were prepared to match the money that the former federal government had promised—but did not deliver—of \$100 000. We have actually put up \$50 000, with the expectation that someone will match that. So far, no-one has indicated a willingness to do that. This is a matter that I am asked about quite a lot. However, I need to say that in order for us to take the proposition for a biosecurity fence—a fence between the pastoral zone and the desert—seriously, someone will need to demonstrate that the source of the feral animals, which cause acknowledged problems in the pastoral zone, is in fact the desert. I do not believe that is the case, and no-one has ever been able to show me, particularly in respect of dogs, that that is the case. The people who are suffering severe losses from dogs generally say—there are some exceptions, and I do acknowledge those exceptions—that their problem is with dogs that have come out of towns. In one quite small town in the eastern goldfields, the ranger captured 1 174 dogs in one year. I forget exactly what town that was, but it was either Laverton or Leonora. Putting a fence another 400 kilometres east of Laverton will not solve that problem. Some people say that we should put up the fence, and we can then knock out everything on the inside of the fence. I suspect that if we were to do that, our problem would be over anyway and the fence would be pointless. I am not closing my mind to such a fence; I never have. It has been estimated that the fence will have a construction cost of \$35 million. The maintenance cost has not been calculated yet, but it is estimated that pastoralists will need to pay a levy of about \$10 000 per pastoral lease just to maintain the fence. I just am not convinced that this is a goer. However, I am prepared to keep looking at it. As I have said, we have shown the colour of our money to carry out that study. All that we require is the other \$50 000 of funding.

Hon ANTHONY FELS: In that case, the minister had better start talking to the new federal government! I have another question, but I just want to check whether it falls within the ambit of this division. I think it comes under division 15, Rural Business Development Corporation. Are we covering that tonight?

Hon KIM CHANCE: I am more than happy to run them all together; it makes sense.

Hon ANTHONY FELS: The estimated actual for the Rural Business Development Corporation in 2007-08 was \$16 million. That is a significant increase on the almost \$3 million that was budgeted for 2007-08. I assume that was for exceptional circumstances funding and related funding. Is that the case; and, if so, is any of that funding repayable? Can the minister identify where that funding has gone?

Hon KIM CHANCE: The member's presumption is correct. There is also \$4 million of funding for the Ord sugar assistance scheme. None of that funding is repayable; it is all grants.

Hon ANTHONY FELS: My next question is about the apple industry, in particular the new apple variety Enchanted, which was announced recently. I am concerned that it appears that that new variety has been released to an eastern states operation to market and develop. What was the motivation for that decision? Was it properly advertised in Western Australia to the industry in this state? Why was it not put to a local orchardist or local industry to develop that new variety?

Hon KIM CHANCE: I will let the director general think about the first part of the question; that is, the advertising. The new apple variety Enchanted is from the same breeding line as the apple variety that we know as Pink Lady. That new variety is, in fact, the property of the national apple breeding program. The national apple breeding program operates out of Western Australia, in partnership with Horticulture Australia Ltd. Therefore, although the work on that new apple variety is being done by our people, it does properly belong to the national industry and is national property. The new apple variety will initially be subject to marketing endeavours here in Western Australia, and ultimately nationally; and also, as sufficient supplies become available, internationally. The concentration of skills in that marketing area sadly does tend to be concentrated in the eastern states; however, as I have said, we are dealing with a product that is national property. It is important to understand that the profits that accrue from the royalties from these apples—it is a significant income stream—are all ploughed back into the breeding of new apple varieties. This program has kept us at the forefront of the international apple industry. Even today, the Pink Lady apple is bringing around £2.49 in grocery stores in Britain. The next best variety is bringing around £1.99. Therefore, there is a 20 per cent or 25 per cent price advantage for an apple that has been on the market now for more than 10 years. I will now hand over to the director general.

[9.50 pm]

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Hon ANTHONY FELS: I ask Mr Longson to address how it was advertised to the Western Australian market and why it has not been developed by the local industry.

Mr I. Longson: I suggest that I take this as a supplementary question so that I can provide full details to the member. My understanding is that an expression of interest was run nationally. The successful company was Fresh Provisions.

Hon KIM CHANCE: Not Fresh Provisions.

Hon ANTHONY FELS: Perfection Fresh.

Mr I. Longson: Sorry, it was Perfection Fresh. It was done in conjunction with a national apple breeding program. I will treat this as a question on notice and find out the details of the expression of interest process and how that company was selected. One of the provisions of that arrangement is that Western Australian growers will have an advantage in that they will be growing the variety first and will have first access to it. Access will then be given to other Australian growers and then international growers. There is a built-in provision for Western Australian growers to take the lead and have an advantage with the variety.

[Supplementary Information No 11.]

The CHAIRPERSON: Two more members have indicated that they have questions. I will just indicate that we might run a little after 10.00 pm, given that we started a little late, but we will not go on for too long.

Hon PAUL LLEWELLYN: I thank the minister for clarifying the Natural Heritage Trust funding arrangement, because that was obviously a grey area.

Hon KIM CHANCE: I was anxious to tell Hon Paul Llewellyn about that before the budget, but I could not.

Hon PAUL LLEWELLYN: I knew the minister was very anxious about that. He has brought a little show bag with him, which I am pleased about, as well as the biosecurity show bag, which is really excellent. I refer to the second dot point under "Major Initiatives For 2008-09" on page 261, which states —

Undertake an analysis of agricultural water use across irrigation industries in Western Australia and provide future water demand projections for industry development . . .

Could the minister advise how much money is allocated to that process for the benchmarking of crops, particularly in irrigated agriculture and horticulture, and where that program is up to?

Hon KIM CHANCE: I will have to pass that question initially to the director general.

Mr I. Longson: I could not give specific dollar amounts that have been allocated to these projects. They are embedded in a couple of areas. We are continuing to do some work for the Department of the Premier and Cabinet on the Ord irrigation area. The project team is led by the Department of the Premier and Cabinet, so we are providing some technical assistance. We are doing some work on the Carnarvon irrigation scheme with the irrigation company and the Department of Water. With the Department for Planning and Infrastructure we are looking at future water demand and the planning for that in the south west. Considerable work is going into determining the future needs of and demand for water by the irrigation industries. I failed to mention one other important one, which is the Gnamptarra strategy. Again, we are working with the Department of Water and other agencies such as the Department for Planning and Infrastructure to ascertain the future needs for horticulture and intensive agriculture industries in the state. I could not now determine an exact dollar figure for the amount of work going into those areas.

Hon PAUL LLEWELLYN: By way of clarification, I am talking about the benchmarking of crops so that we can establish what might be a reasonable water allocation for different climatic zones and soil types.

Hon KIM CHANCE: That is the Waterwise on the Farm project.

Hon PAUL LLEWELLYN: Do you know how much has been allocated?

Hon KIM CHANCE: We can certainly get the figures for the Waterwise on the Farm project.

Mr I. Longson: It would be possible to get information on that program. I perhaps misinterpreted the question in terms of the work we are doing to determine future water demand. Part of that is looking at the amount of water that is used and whether there are more efficient means of irrigation. We have a Waterwise program for vegetable production both in the south west and the Carnarvon area.

The CHAIRPERSON: Does the honourable member want that question to be put on notice?

Hon PAUL LLEWELLYN: I would like to get the outcome of the Waterwise program.

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Hon KIM CHANCE: We will be very happy to provide that information.

[Supplementary Information No J2.]

Hon PAUL LLEWELLYN: I am talking specifically about the urgency of benchmarking our irrigated crops.

Hon KIM CHANCE: I will be very pleased to get that information to the member, because although we have some way to go, we are clearly national leaders in that area. I do not think we are at the forefront internationally; the Israelis have a decided edge over us. However, we watch the Israeli technology very closely; indeed, we sometimes even market the Israeli technology.

Hon PAUL LLEWELLYN: I refer again to the “Major Initiatives For 2008-09” on page 261 and the fourth dot point on the Future Farm Industries Cooperative Research Centre. Could the minister please tell me what resources will go into the program to match land capability and land use?

Hon KIM CHANCE: I do not have the specific information with me. I will be happy to take that question on notice. It relates to a specific program in the south coast region. It probably applies to the Scott River irrigation area.

[Supplementary Information No J3.]

Hon NIGEL HALLETT: I refer to recent media reports on the Merredin and Lake Grace research stations. I am unable to find in the *Budget Statements* any reference under the capital works program on page 265 or the tables on page 270 to the income that has been received or cost adjustments that have been made. There is a substantial drop of \$600 000 over a four-year period.

Hon KIM CHANCE: Sorry, what is the member referring to?

Hon NIGEL HALLETT: I am referring to the table under the heading “Details of Controlled Grants and Subsidies” on page 270. There is a quite substantial drop between 2008-09 and 2011-12.

Hon KIM CHANCE: That is the drought effect.

Hon NIGEL HALLETT: Okay. I cannot find anywhere in the *Budget Statements* that accommodates the scaling back of the Merredin and Lake Grace research stations. Why is that? Where will the research be done?

Hon KIM CHANCE: I am very happy to answer that question. No, there are no line items relating specifically to the research stations. I can tell the member that with perhaps one exception, none of the research stations make a profit, and we do not expect them to. All of the large research stations will continue as research stations. What we are devolving is the operation of most of the land attached to those research stations. The land is not being sold in the main; rather, it is being leased to neighbouring farmers. We are already doing the bulk of our trials on farmers’ properties rather than on the research stations themselves. Some 65 per cent of our trials are now done on farmers’ properties. The limitation of working only off the research stations is that the trial results are, and are seen by farmers to be, limited to that particular geographical-agricultural zone and might not be relevant to the bulk of the area, given that our research stations are generally on the oldest and best soil of the region. We like to carry out these trials on farmers’ properties, where they are seen to be more relevant. We will be keeping enough land in our own hands to do those things that we need to do on government land. That applies particularly to trials that require high security—for example, trials of genetically modified products—which the government does not necessarily want to do on private land.

[10.00 pm]

The leasing of the areas of the Department of Agriculture and Food’s Newdegate and Merredin research stations, or those areas that are not immediately required for trials, will happen. Similar arrangements are being developed for other research stations. That minimises conflicting demands for research and bulk farm operations. The government is not a very good commercial farmer and there is no point in it maintaining huge areas of agricultural land; it cannot do it at a profit. Increasingly, it was being forced into the position whereby it had to match the same kind of machinery that modern farmers were using, and the kind of land areas it had simply made units of that size even more uneconomical. The farms are no longer needed for demonstration. We do want to carry out more and more research, and we were actually limited in the amount of research we could carry out because we had to carry the losses that these farms were making; I think that makes sense. I will always be keen to maintain the research stations regionally; indeed I would like to see more. We have seen one that was on ice opened up because of farmer demand, and that is the Badgingarra Research Station, which was pretty much in recess but is now operating very effectively as an adjunct to the Moora station, part-funded by the southern rangelands cattlemen who, having acquired most of that area, needed to know more about how to make that country run properly.

Hon Bruce Donaldson; Hon Kim Chance; Hon Paul Llewellyn; Hon Ken Travers; Hon Brian Ellis; Hon Anthony Fels; Hon Nigel Hallett

Hon NIGEL HALLETT: Is the minister looking to buy a farm?

Hon KIM CHANCE: No. We had quite a big lump of land at Badgingarra, but it was on ice; we were considering selling that. Happily, the pastoralists came along and said that they wanted this work done. We put a deal together and it is doing very well.

Hon BRUCE DONALDSON: The last dot point on page 263 of the *Budget Statements* under the heading of “Major Initiatives For 2008-09” mentions the establishment of the Biosecurity Council, under the Biosecurity and Agriculture Management Act 2007, and the last dot point covers the drafting of the Biosecurity and Agriculture Management Act 2007 Regulations. If I remember rightly, when that issue went to the committee the minister indicated that when the regulations were drafted he was going to show them to the committee.

Hon KIM CHANCE: I am still keen to do that.

Hon BRUCE DONALDSON: That was my question. I remember the minister being very adamant about it at the time.

Hon KIM CHANCE: I am still keen to do that. There may be some that we feel under pressure to get out very quickly —

Hon BRUCE DONALDSON: Okay.

Hon KIM CHANCE: However, when the urgency is not too great, I want to take that before the committee, because I very much valued the work the committee did for that bill, which enabled it to have the very constructive passage it had through both houses. We will also be consulting stakeholders, and I gave a similar undertaking to stakeholders that they would be involved in the consultation. I actually see the process of referring those regulations to the committee as a way of enabling regulations to be made on the record, which is —

Hon BRUCE DONALDSON: A most unusual practice for executive government to undertake!

Hon KIM CHANCE: It is a very important element of the report that is so famous in this house; that is, the thirty-sixth report of the government agencies committee.

The CHAIRPERSON: That is a timely place to stop, as we have gone a little bit past 10 o’clock. I thank members for their attendance, as well as the minister and his officers. That is the close of these hearings.

Committee adjourned at 10.04 pm
